

## Property Tax Incentives for “Clean & Green” Energy

Threshold definitions: Clean product, new investment, prevailing wage in construction, sequestration when needed

\* Rates are taxable valuation percentages (need to be multiplied by local millage to get effective tax rate)      \*\* Construction & Operation

Category	Qualifications	Current Rate *	Proposed Rate *	Incentive %age	Incentive Term
Transmission Main Line	Carrying between 25-64% of wind, new hydro, clean biomass or IGCC power w/ carbon sequestration - (subject to qualification periods and procedures)	12%	9%	25%	Perma- nent
Transmission Main Line	Carrying 65-99% of wind, new hydro, clean biomass or IGCC power w/ carbon sequestration (subject to qualification periods and procedures)	12%	6%	50%	Perma- nent
Transmission Main Line	Carrying 100% of wind, new hydro, clean biomass or IGCC power w/ carbon sequestration (subject to qualification periods and procedures)	12%	3%	75%	Perma- nent
Electrical Tie Line	Dedicated – 100% -- (from site to main transmission line) for power produced from: wind, new hydro, clean biomass or IGCC w/ carbon sequestration	12%	3%	75%	Perma- nent
CO <sub>2</sub> Sequestration Pipelines & Eqpt	<ul style="list-style-type: none"> <li>Pipelines carrying CO<sub>2</sub> from coal processing plant to sequestration point</li> <li>Field and equipment used for CO<sub>2</sub> sequestration in Enhanced Oil Recovery (EOR)</li> <li>Equipment (non-EOR) used for sequestration</li> </ul>	12%	3%	75%	Perma- nent
Liquid Pipelines	Dedicated (100%) ethanol, biodiesel & fuel from clean coal technology with carbon sequestration	12%	3%	75%	Perma- nent
Production Facilities	<i>Facilities &amp; Equipment</i> IGCC w/out carbon sequestration	6%	6%	None	Perma- nent
Production Facilities	<i>Facilities &amp; Equipment</i> Coal Gasification w/out carbon sequestration	3%	6%	100% up	Perma- nent
Production Facilities	<i>Facilities &amp; Equipment</i> IGCC w/ carbon sequestration	6%	3%	50%	Perma- nent
Production Facilities	<i>Facilities &amp; Equipment</i> <ul style="list-style-type: none"> <li>Coal Gasification w/ carbon sequestration</li> <li>Coal-to-Liquid (CTL) w/ carbon sequestration</li> <li>Ethanol, biodiesel or clean biomass</li> </ul>	3%	1½%	50%	10 Years *
Renewable Energy Manufacturing	<i>Facilities &amp; Equipment</i> <ul style="list-style-type: none"> <li>Wind power (blade, tower, turbine, and component plants)</li> <li>Solar power (MGS, poly, wafer, cell and module plants, dedicated component plants)</li> <li>Plants for electrical or hybrid/electrical automobiles/trucks or dedicated component plants</li> <li>Fuel cell plants</li> </ul>	3%	1½%	50%	10 ** Years
Research & Development	Equipment only – solar power, wind power, clean biomass, fuel cells, electrical or hybrid/electrical automobiles/trucks, clean/advanced coal	3%	1½%	50%	10 ** Years
Consumer Credits	Increase the energy conservation and alternate energy credit for consumers to the extent that it can be financed by withholding on mineral royalties for non-residents.	Tax credit, not a property tax incentive			